

**ABSTRACT OF THE DISCLOSURE**

5 A screening assay for identifying modulators of chondrogenesis is  
described. The assay comprises providing cells capable of differentiating into  
chondroblasts; transfecting the cells with a nucleic acid construct comprising a  
reporter gene that is detectable upon chondroblast differentiation; adding a  
test compound to the transfected cells; and determining the effect of the test  
compound on chondroblast differentiation. The reporter gene is preferably  
10 responsive to the transcription factor Sox9. The modulators may be useful as  
therapeutic agents that can inhibit or enhance cartilage formation. The assay  
may also be used to diagnose, monitor or prognose diseases associated with  
abnormal cartilage formation.

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